BANKING'S OTHER ASSET

Commercial banking puts a new wrap on the squeeze for deposits and the potential for investor desertion.

SENSE 80

A COMMUNICATIONS, MARKETING AND DESIGN PUBLICATION OF LIPPINCOTT & MARGULIES, INC.

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A Communications, Marketing and Design Publication of Lippincott & Margulies, Inc.

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Profound changes in our social and economic climate have propelled retail banking into what has now become a harshly competitive environment.

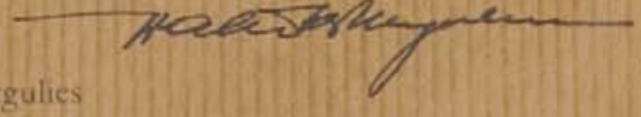
One factor behind these fundamental changes is the rise of a mass consumer society, which sees money not as a rainy-day resource to be stashed away in a vault for safe-keeping but as a dynamic tool for life enhancement. Inflation, too, has created a "spend it today because it will only cost more tomorrow" attitude. Another factor is the technological revolution and the bewildering array of money services constantly being introduced into an already crowded and confusing marketplace.

Moreover, there is the sheer proliferation of banking units, which have mushroomed from 3,000 at the close of World War II to over 50,000 units today. Foreign banks, as well, now offer formidable competition in the U.S. market.

As much as banking has grown in the past thirty years, the growth of competition has far exceeded it. Assets of such institutions as savings banks, savings and loan associations and credit unions have grown 1,700 percent–from $26 billion at the end of 1945 to nearly $500 billion today. In the same time period, commercial bank assets have increased by less than a third of that astonishing figure.

Together these factors spell shattering change for an industry that has heretofore led a relatively sheltered existence. Old images and distinctions–fostered over the years out of such once-trustworthy building blocks as unique products and services, familiar faces, neighborhood presence and bank buildings that "looked like banks"–are rapidly eroding beneath the impact of this competitive force that moves in with youthful vigor to offer identical services at the same prices, in almost identical locations, and with a style and élan attuned to the rhythms of a new generation of consumers. This is not to say that the abiding virtues of reliability, safety and trust-worthiness have lost their meaning, but they need to be sharply reaffirmed.

As banking enters the nineteen-eighties, competition is bound to increase and further threaten banks with a blurred identity and even, in some instances, anonymity. Long-range planning and the forging of some hard decisions as to what a bank is and wants to be still offer the only proven options for the successful management of change and the building of competitive strength. New and more sophisticated marketing strategies, stronger and more individual identities, clearer and more positive communications to specific publics will be the critical tools for those institutions which survive and grow in the decade ahead.



Walter P. Margulies

Steeped in tradition and unencumbered by competition, banks of a bygone era had little motivation to deviate from a uniform image.

"Had he awakened after a 60-year sleep and walked into a typical U.S. bank at the end of the Second World War, a banker of the 1880s would have found his surroundings essentially familiar," writes Giles Mellon, chairman of the Finance Area, Graduate School of Business, Rutgers University. "The gray stone building with its conservatively dressed, predominantly male tellers and clerks would have looked much like his own bank. And the attitudes of the men to whom he spoke about the nature and role of banking would largely have mirrored his own."

Time was when name and design changes–or changes of any kind by banks–were relatively few and far between. Steeped in the niche of tradition and comparatively unencumbered by competition, banks of a not-too-distant bygone era had little motivation to deviate from established criteria or plunge into a turbulent financial marketplace.

Today, change everywhere abounds and for good reason.

In Ohio, the state's largest bank, CleveTrust, has changed its name to AmeriTrust.

In the state of Washington, The National Bank of Commerce of Seattle has become RainierBank, and Marine Bancorporation, the holding company of which the bank is a major asset, has become Rainier Bancorporation.

In North Carolina, First Union National Bank has turned to the relatively new discipline of Environmental Marketing Design to achieve a complete visual and service transformation that ranges from a new branch design to the shape and color of a cohesive graphic system embracing all its facilities.

Banks like these seek to develop new and more sophisticated marketing strategies, stronger and more individual identities, clearer and more positive communications. There is good reason for their readiness to embrace innovation, adaptation, change. The niche established for them by tradition has been shattered by the forces existent in the newly rivalrous marketplace. The commercial banks know it–and, significantly, so do their customers and investors. A vital sign of success to the investment community is a bank's ability to produce a profit sufficient to reward its shareholders with a predictable dividend and, hopefully, a parallel rise in its P/E ratio.

"Watch the banks scramble for your business" was the headline in which *Changing Times* magazine alerted its readers to the multiple money-options now available to them. Why keep your money where it is if you like better what you see down the street?

Scrambling ("to struggle unceremoniously for something") may not be the term commercial banks would choose to describe the fiercely competitive activity now

The traditional niche established for banks has been shattered by forces in the now rivalrous marketplace.

heating up on the financial Main Streets of the U.S., but few would contest its accuracy. What used to be relatively quiet competition between commercial banks on the one side and savings and loans on the other is now wide open to all comers, provided they have substantial funds to pay the entry fee. And some do have sizable stashes: Sears Roebuck, American Express, Merrill Lynch, the big money banks from Britain and Germany and Asia and tomorrow from who knows where.

There is Sears, the world's largest retailer, offering its 26-million credit-card holders up to $500 million of two- to ten-year notes in $1,000 denominations. "If that's not deposit taking, and they're not a bank, then I don't know what banking is," commented one banker.

Then Merrill Lynch, the nation's largest brokerage house, presents the consumer who has at least $20,000 in securities with a new cash management account that lets customers write checks and use their Visa card on margin accounts. The sales prospects are, of course, those same wealthy depositors whom the major banks court in an effort to capture one of the most lucrative aspects of commercial banking.

Finance companies are finding new ways to develop an edge as are the nation's 22,000 credit unions—with membership made up of a quarter of all American households—to which they would now like to offer a universal credit union transaction card.

Clearly, the bulging financial marketplace is not divided into commercial banks vs. "others." As never before, the commercial banks are pitted against each other. Taking full advantage of new federal and state banking laws and regulations—and of liberalized interpretations of old ones, they are traversing city, county and state borders to set up shop in each other's backyards.

Here they are tempted by the example of some of the most aggressive competitors, the foreign banks, which now account for some ten percent of the total bank assets in the nation and fifteen percent of all business loans made by banks reporting regularly to the Federal Reserve Board. Today the foreigners can freely roam the country, pick up acquisitions that are off limits to native banks and establish branches and agencies in many states.

Both the big banks, who would like ultimately to gain the freedom that the foreign banks have, and the small banks, who see in such freedom nothing more than big-bank competition, agree on one thing: the foreign incursion is the thin edge of the wedge for eventual wide-open interstate banking. The recent statement by Paul A. Volcker, chairman of the Federal Reserve Board, that interstate banking rules

There is good reason for the readiness to embrace innovation, adaptation and change.

Clearly, the bulging financial marketplace is no longer divided into commercial banks vs. all "others."

should be liberalized and that the major states should agree to reciprocal interstate banking privileges, has done nothing to dispel this view.

Meanwhile, banks are ingeniously devising strategies to position themselves as advantageously as possible. Predicts Visa President Dee W. Hock: a growing number of banks will use credit cards to overcome existing branching restrictions and to attract out-of-state credit-card holders who can be converted to out-of-state depositors, as Citicorp and Continental Illinois are already doing.

Some banks are already clearing state boundaries with electronic terminals. In 1978, Western Bancorp created a network of 3,674 terminals to service 22 banks in 11 Western states. The network can be used to dispense cash but not to accept deposits—not yet, that is. One banker, whose institution is a member of the network, told a reporter: "When interstate branching is permitted, we will be ready."

Bank holding companies, which have long crossed state lines with non-bank subsidiaries, have found another interstate device in the acquisition of industrial banks. According to Richard C. Tucker, chairman of two Colorado industrial banks, "What bank holding companies are trying to do is establish nationwide banking networks now."

Still another "get ready" strategy is the pursuit of finance companies that will give banks open and running offices for quick conversion to full branches when the time comes. Thus, when Britain's Barclay's Bank agreed to acquire the American Credit Finance Company chain for $191 million, Dennis J. Ford, Barclay's assistant general manager, remarked that this spin-off from Wachovia Corporation could become an "instantaneous nationwide bank."

No doubt there are many different postures commercial banks can take to position themselves, but none involves business as usual. The gentlemanly rules that define "this is my ground, that's your ground" are quickly going the way of "banker's gray" and the mausoleum style of bank architecture. With the traditional distinctions among financial institutions growing dim and new competitors appearing on the horizon, the consumer, corporate or individual, worries less and less about whether he should take his business to a local commercial bank or the branch of a money-center bank, to a savings and loan or a credit union, to a retailer like Sears or a brokerage firm like Merrill Lynch. He simply opts for whatever institution or company that, in his perception, offers the best combination of benefits.

Images become blurred as distinctions among the financial services institutions diminish.

The foreign banks incursion may occasion eventual wide-open interstate banking.

Like AmeriTrust, Rainier and First Union, banks are discovering the need for new and more effective communications. They are also finding that as they prepare to respond to the competitive challenge–either by repositioning themselves in their local communities, by statewide branching, by mergers and acquisitions–they first need to decide "Who we are" before they can forcefully announce to their appropriate audiences "Here we are."

Understandably, introspection does not always come easy to an industry that traditionally has had its role and identity molded by ironclad regulations and validated by an assigned place and role in the financial community. Now as the traditional lines of demarcation are trampled into invisibility by onrushing and unrestrained competition, each bank is confronted with the challenge of defining and asserting its own personality.

A survey of the commercial banking scene today reveals all kinds of tactics by which banks are preparing to meet this identity challenge in coming years. Though some are half-hearted, some piecemeal, some imaginative, some highly questionable, and some based on well-conceived, long-range marketing and communications programs, the impetus to recast one's strategy remains.

For example, there is the bank that engages an advertising agency with a reputation for swinging commercials to create its sales campaign, while its headquarters offers a prime example of the old "monuments-to-management" style. Or the bank that boldly enters the electronic age by literally carving out space for an automated teller's unit on the gray-stone wall of a stodgy-looking edifice. Still others, striving to be many different things to many different publics, present a variety of faces–one in the suburbs, one in a shopping center, one at an airport, one downtown, with no strong unifying statement to make the parts add up to the whole.

For many banks, it is a time of hedging bets, of limiting commitments. Certainly most everyone is doing something–if only asking the public what it is they should be doing. The State National Bank of Evanston, Illinois, sent out an opinion poll to ensure, according to President Robert Humphrey, that a proposed limited service facility would be "fully compatible with the surrounding community." Types of banking services, signage, landscape and architecture were discussed in a public forum, and a five-member liaison team from the neighborhood was organized to make the facility an "integral part of the area."

Whether half-hearted, highly questionable or well-conceived, the impetus for future planning is dominant.

Two West Coast banks retreated into the past as a way of burnishing their images. Security Pacific National Bank restored the banking room of a San Francisco landmark to its original elegance; the Bank of America capitalized on having an early headquarters building, now a branch, designated a National Historic Landmark.

With the technological cornucopia offering something for everyone, looking toward the future for identity would seemingly prove a more promising road to travel than reconstituting the past. Undoubtedly, the bank that gets there first and with the most enjoys an advantage, but with the price of automated teller machines, for example, dropping from $30,000 to $20,000 within the past two years, the advantage will be short-lived indeed. Consequently, technology is becoming everyone's equipment and no one's distinction.

If anything, technology will heighten the communication crisis for many commercial banks, particularly the smaller ones. When automatic transfer accounts evolves to a viable, more convenient system, as it is sure to do, the loss of bank identity will appear to be "the major problem that most bank marketers will face," warned Thomas D. Rogers, vice president of State Street Bank and Trust, Boston. "Our present system of a large number of banks (14,600) with most of that number below $50 million creates an immense problem of identity in the new era of banking."

One thing is certain. There are no easy answers—none that can be bought off the shelf, like computer software. Each bank will need to develop its own response to competition and growth opportunities—a response conditioned by its overall marketing goals, its particular strengths and weaknesses and the particular environment in which it conducts business.

Unbridled competition challenges each bank to define and assert its own personality.

Technology has become everyone's equipment and simultaneously no one's distinction.

It is this realization that there are no ready-made "package solutions" for responding to the new challenges to survival and growth that brings financial institutions to Lippincott & Margulies for assistance. Achievement of a realistic assessment of their strengths and weaknesses, the structuring of positive identities to provide the kind of visibility needed in each of their markets, the development of communications strategies to direct strong and appropriate messages to their varied audiences form the bases of a bank's motivation for seeking objective evaluators and professional communicators.

To meet new challenges, such as those confronting commercial banks today, new tools are required. Environmental Marketing Design, for example, is a relatively new and highly professional discipline. It integrates in synergistic fashion the expertise of many disciplines, including architecture, interior design, graphic design, signage, site selection, environmental engineering. Together, they create a distinctive overall impression and atmosphere consistent with a bank's marketing objectives.

Effective Environmental Marketing Design emerges from a bank's discovery and commitment to be what it is–or wants to be. No concept, configuration or color is embraced unless it contributes to the projection of that identity. Exterior facades and landscaping, interior layouts and traffic flow, signage and imagery, furnishings and lighting, graphics and textures are all deployed as integral parts of a comprehensive plan to achieve marketing objectives.

Since nothing less than the bank's identity and the image it presents to its publics is at stake, basic questions need to be explored. Is a name change the best strategy for achieving the bank's goals? What equities are in the existing name? What are the opportunities for meaningful change? Are quite different marketing problems involved that require actions in addition to a change of name? Whether it be statewide branching, uniting various services under a single identity, positioning oneself to meet oncoming competition from "outsiders," or presenting to its audiences a bank's growing vigor and aggressiveness, the qualities belied by an existing name and marketing strategy appropriate to the past are not of certainty appropriate for the future.

How a bank responds to the competitive challenge of the Eighties will in large part determine how customers respond to the bank. In the following pages we examine some of the banks, using the marketing, communications and design expertise of Lippincott & Margulies, which took positive and effective action to attain their particular marketing goals.

There are no prepared solutions to harness the uncertainties of survival and growth.

The name of a bank is generally the most prominent expression of its identity. As it appears on public buildings, signs, checks, deposit books, statements and advertising, as a bank endures through change and diversification, its name may become an important asset or an expensive liability.

In a communicative sense, a bank's *identity* may be defined as the sum of the ways it presents itself to its various audiences or publics—to its clients, depositors, employees, government, and the investment community. A bank's *image*, on the other hand, depends upon how the bank is actually perceived. It may be rated positively as distinguished, innovative, aggressive, competent, helpful—or negatively as old-fashioned, unimaginative, not up to date. A bank can influence its image, for better or worse, by the way it structures and manages its identity.

Improving a name means more than altering the letters over the entrance of the bank. It means analyzing every facet of the identity systems which communicate that name, and the images they generate. Consideration must be given to how the bank's name, old or new, looks in print; how it sounds; whether it can be readily applied to a variety of situations and services; or whether a nickname may replace it in general use.

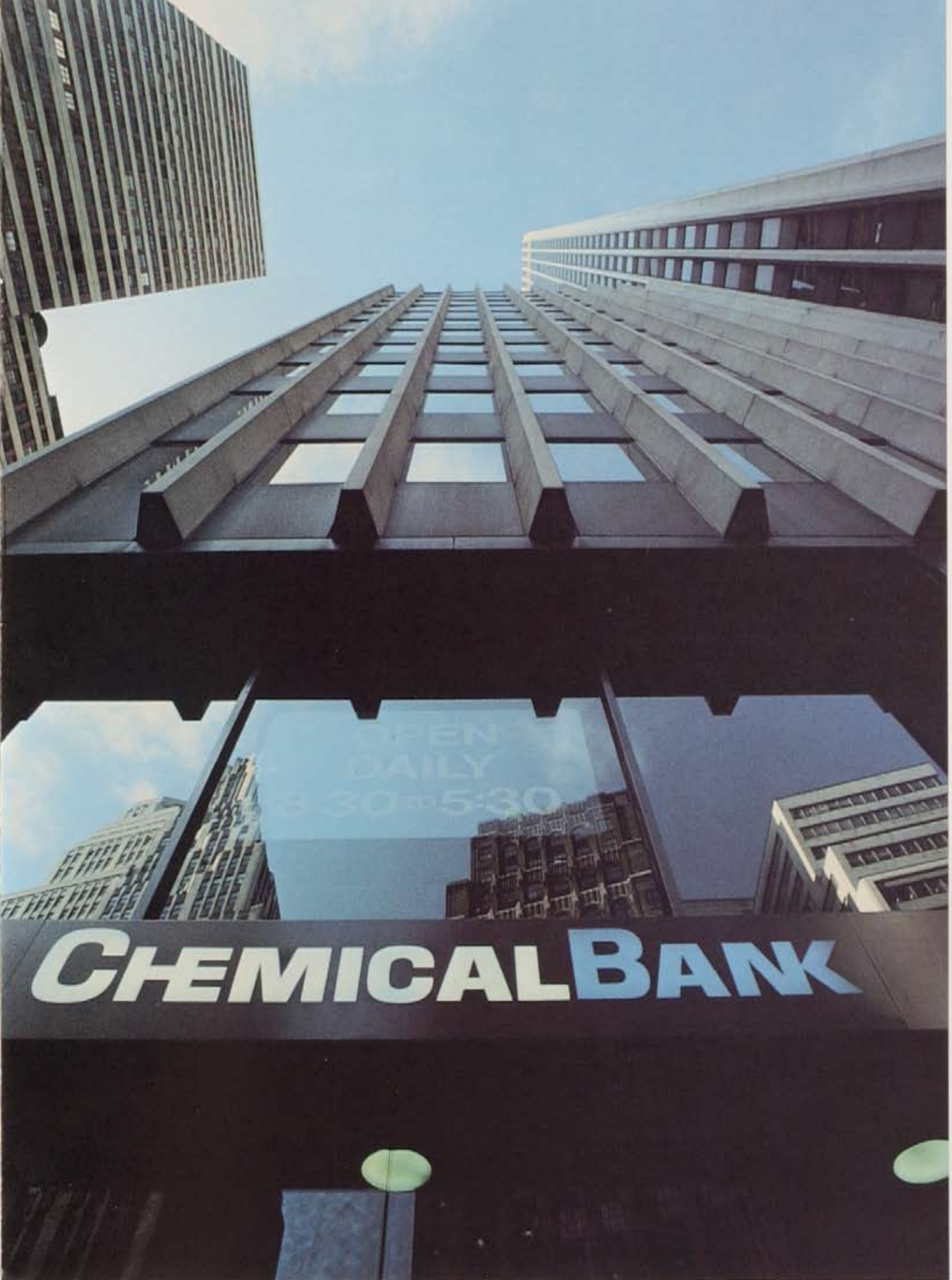
Sometimes banks have highly respected names which in their original form simply do not lend themselves to the most effective kind of communication in an increasingly competitive market. In the case of Chemical Bank, it was appropriate for the company to use its legal name. It also seemed appropriate to try to make that name more communicative. As part of a total identity program created by Lippincott & Margulies, "The Chemical Bank New York Trust Company" was abbreviated to "Chemical Bank," which is now used as its primary name.

In select situations, "ChemBank" is used in a strategy of moving away from the non-banking word "Chemical," while maintaining some link with it. A second motivation for the shortened name was to create a more informal and friendly atmosphere and reduce perceptions of the bank as a cold financial giant.

The bank nomenclature is also used as a link to its financial services which provides a meaningful differentiation and sets the institution apart from its competition. Instead of a checking account at Chemical Bank, this service is described as "ChemChecking"; other services are "ChemSave" and "ChemLoan."

A comprehensive identity program began with the abbreviation of the name The Chemical Bank New York Trust Company to Chemical Bank.

The distinctive two-tone logotype, applied systematically to signage and graphics, differentiates the bank from its competition.


CHEMICAL BANK

An impending new banking law dictated the need for a quite different solution for the bank that has become AmeriTrust.

Founded in 1894, the former CleveTrust Corporation is Ohio's largest banking company and the nation's 34th largest in total assets.

In recent years the company has undergone a quiet transition from a $2.3-billion bank to a $5.1-billion holding company. Since 1972, it has grown from a single bank with 80 branches to a group of ten affiliate banks with 120 offices at the end of 1978. During this time greater emphasis has been placed on providing financing and services to corporate customers outside of its strong historic base in the Greater Cleveland area, financing major projects throughout the nation and the world. In return on average assets, a key measure of bank performance, CleveTrust has led the largest companies in the industry with a 1.2 percent return, nearly twice the top thirty bank average and the best of all U.S. banks over $5 billion.

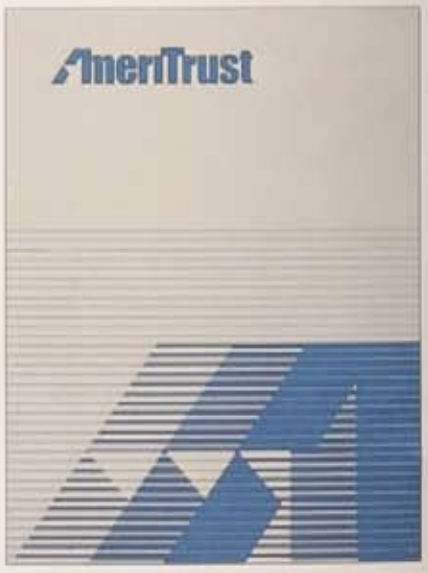
The challenge, then, to CleveTrust Corporation was to sustain its substantial growth in light of Ohio's liberalized 1979 banking law.

The new law, allowing bank holding companies to set up shop in adjacent counties, created the kind of competitive situation which will likely be reproduced in the remaining states that now curtail statewide branching. For many banks, the challenge will be to bring their identities into line with their new statewide presence, as did CleveTrust in becoming AmeriTrust.

The CleveTrust Corporation, the multibank holding company, engaged Lippincott & Margulies to evaluate the communications practices of CleveTrust, its flagship bank, and its bank affiliates in nine other counties. The consulting firm's final recommendations were influenced by several prime factors: the impending liberalization of banking regulations to permit statewide branching; the bank's broadening corporate clientele throughout the MidAmerican region (and, indeed, nationally and internationally); and the different names employed by the bank's affiliate operations, which inhibited cohesive identification and marketing and advertising efficiency.

The first step taken by Lippincott & Margulies was an objective Communications Audit of the company's name and reputation. Interviews were conducted with individual, corporate and institutional customers as well as with the general business community and the management of the holding company and its affiliates. An analysis of the data verified a number of basic strengths–a strong retail bank,

CleveTrust's broadening opportunities in the national market were significant determinants in the decision to adopt the name AmeriTrust.



AmeriTrust
AmeriTrust

occupying a highly important place in local and regional corporate banking, with an exceptional trust department were widely held positive perceptions.

The Communications Audit also suggested the problems manifested by the name "Cleveland Trust." The name was found to reinforce the public's limited observance of the bank's statewide expansion. Commented one respondent: "How could you have the Cleveland Trust Company of Dayton? It wouldn't make sense."

Lippincott & Margulies advised Cleveland Trust to consider a name change with two objectives. First, the move would provide a unified identity. And second, it would yield a more efficient vehicle for communicating to appropriate audiences the services of all the banks and affiliates. A unified identity would, moreover, facilitate the cohesive presentation of Cleveland Trust to investors.

Management recognized that to discard a well-known name was a major step. Nevertheless, it decided change was advisable and advantageous. The name change, it was agreed, would require support from a comprehensive, new identity program, including a total communications system to reorient customers, employees, stockholders and the public.

From the hundreds of names generated, AmeriTrust was chosen most suitable. The first half of the name emphasizes the bank's expansion into the MidAmerican region and the extended services of the corporation. "Trust" is a carryforward from the former name that lends continuity, accents institutional capability and suggests reliability. AmeriTrust was also selected for effectiveness in foreign markets where clear identification as an American institution is desirable.

The logotype for the new name carves a space from the initial letter "A" to suggest the top three points of a star. Capitalizing the "T" creates a graphic linkage that makes the word more brisk and memorable. No additional symbol is employed since the name AmeriTrust, with its distinctive lettering, contains all the unique and memorable attributes needed for strong recognition in the marketplace.

Under its old name, the company had adopted as early as 1970 a "CT" symbol, which was used by each of its affiliates to lend some semblance of unity amid their disparate identities. Now, with a graphic system applied to everything from signs and advertising signature to checks, stationery, publications and credit cards, that unity is solidified under a single name in a unique graphic form.

As anticipated the name change provided a linkage with the parent company that would enhance the bank's ability to realize increased earnings by presenting a stronger, more unified and universal image to potential stockholders.

The comprehensive identity program facilitates the cohesive presentation of the multibank holding company to the public and investors.

AmeriTrust

The importance of matching the right name and the right visibility with a bank's ability to compete and grow in today's financial marketplace is again evident from the successful change undergone by The National Bank of Commerce of Seattle.

When Bob Truex left the Bank of America to head The National Bank of Commerce, the latter institution was, in his words, "a splendid franchise with a good reputation for soundness, good asset quality and some very good people." It had an almost statewide branching system, an expertise in agricultural and retail lending, a long history in the national area, and an established international presence in the Pacific basin with offices in such major cities as Tokyo, Hong Kong, Singapore, as well as in London.

Yet competition made the bank appear to be stagnant. According to Truex, the bank's name "had no pizazz or marketability." Furthermore, its identity was fragmented. Few of the bank's customers, clients or investors associated it with Marine Bancorporation, the holding company of which it was a major asset. Nor did they recognize Marine Bancorporation's other holdings, which collectively amounted to significant strength–had it been visible in its totality.

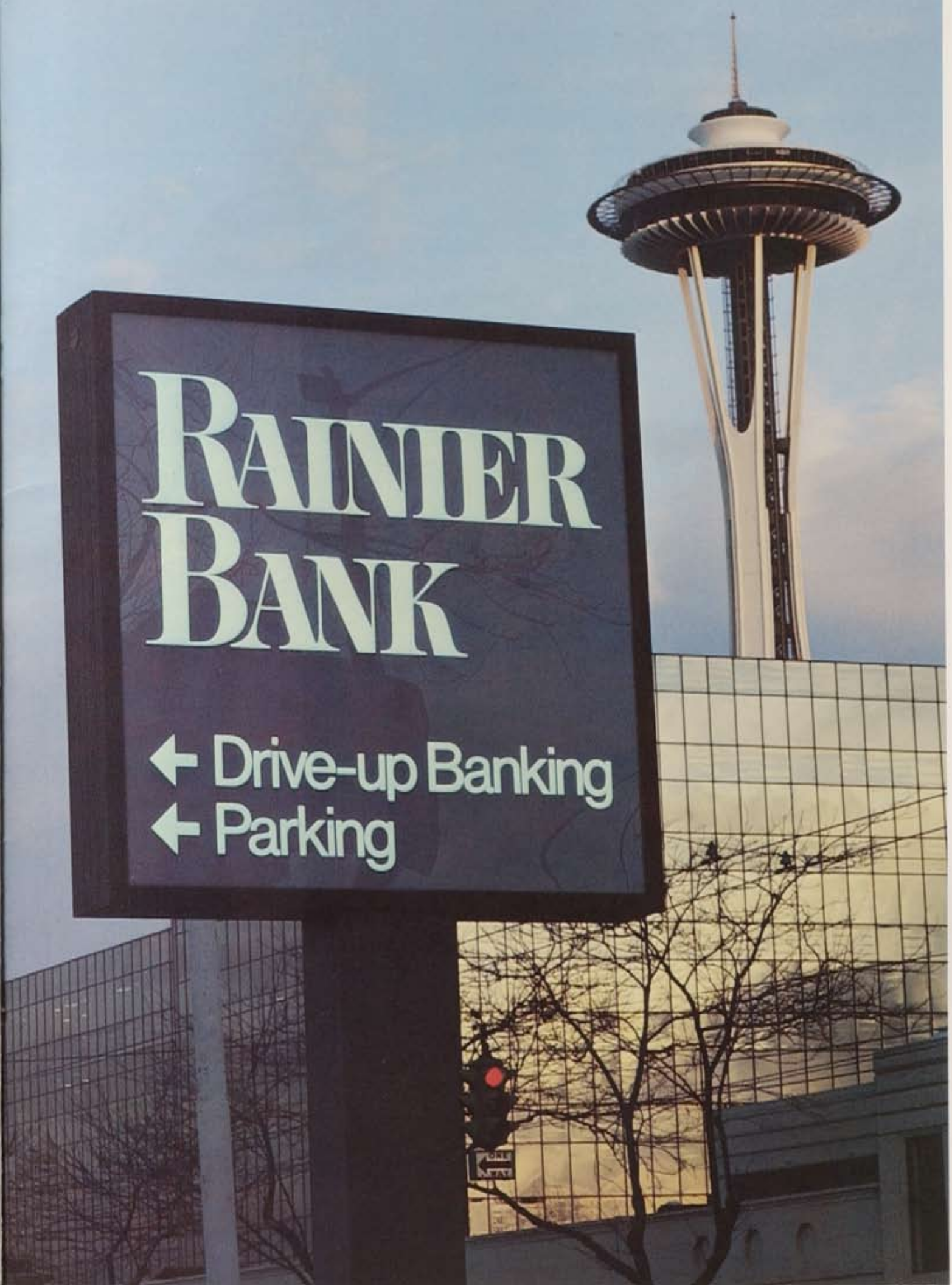
Lippincott & Margulies, therefore, recommended a name change program that would dramatically enhance visibility, unifying and maximizing the bank's communications impact in all its areas.

"Rainier" Bank was adopted only after considerable research and market testing. One of the nations tallest peaks, Rainier is a well-known landmark to everyone in the State of Washington. It conveys loftiness and towering presence. It was thought that this name would help the institution achieve a prime corporate goal: to become the most distinctly successful, quality-oriented financial service organization in the Pacific Northwest.

The replacement of all previous corporate and subsidiary designations ended the fragmentation that had prevailed and successfully fused the parent company with all its holdings under the Rainier Bancorporation umbrella. Rainier National Bank covered all the domestic and international banking operations, and RainierMortgage and RainierCredit replaced Coast Mortgage and Commerce Credit.

Results of the communications strategy program weighed significantly in the dramatic turnabout that Rainier was to experience. Since Truex's arrival in 1973, Rainier has become one of the fastest growing and most successful banks in the nation. The stock, which trades over the counter, has risen more than 200 percent since 1974, by far the best performance of any large U.S. bank.

The renaming and restructuring of Rainier's corporate and subsidiary designations ended the prevailing fragmentation, unified the bank's strengths and heightened visibility.


RAINIER
BANK
Drive-up Banking
Parking

The British poet W. H. Auden once recommended to his readers "new styles of architecture, a change of heart."

As one surveys the broad spectrum of responses that commercial banks have made to establish a new and positive identity for themselves, an identity at once distinctive and capable of functioning dynamically in retail banking's new competitive environment, it is evident that while, figuratively speaking, "new styles of architecture" are emerging, far too few are imbued by any significant "change of heart."

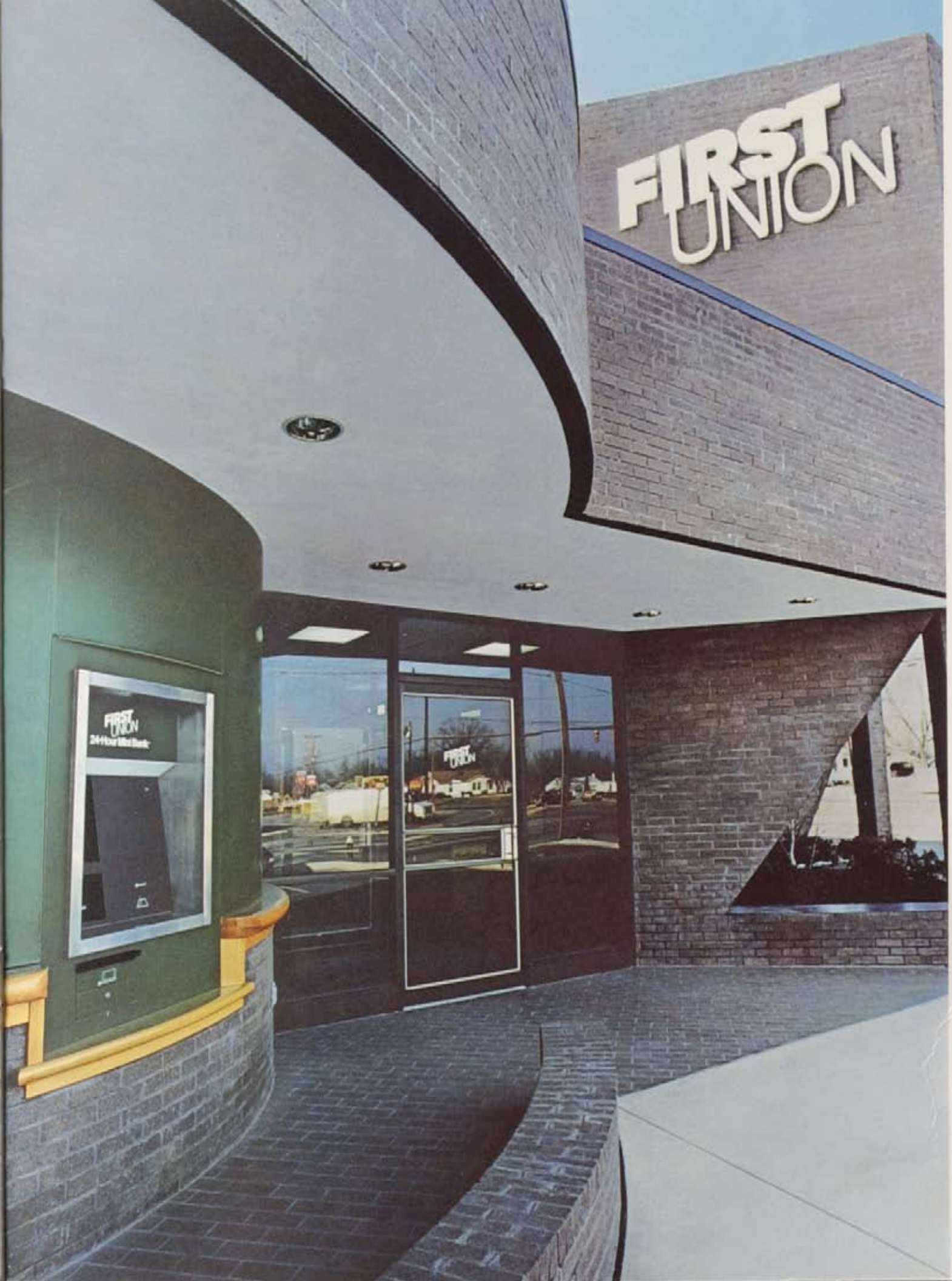
Had the banking world continued on its uneventful course, First Union National Bank, headquartered in Charlotte, North Carolina, would have had little motivation for a change of heart. Intensified competition and diminished individual visibility, however, were the major factors that impelled First Union, one of the state's top three banks, to come to Lippincott & Margulies for guidance.

First Union enjoyed a reputation as a steady and reliable bank, befitting an institution that had been around for quite some time. A new wide-open marketplace and the response of customers to a new spectrum of stimuli, nonetheless, made the bank recognize that its traditional directives had not positioned it to take advantage of the potential growth of the state's retail business. Competitors, Wachovia and North Carolina National Bank, had moved dramatically to the forefront with intensive, long-range communications programs. To North Carolinians, Wachovia was the bank catering to the carriage trade; North Carolina National (NCNB) became the innovative, responsive, modern and aggressive "mass retailer." First Union remained as it was, quietly in the background. The investment community shared these perceptions.

To compete for retail business in this active marketplace, First Union decided it would have to position itself quite differently than it had in the past. It would re-introduce itself to North Carolinians. The objective would be to achieve public awareness of the bank, not only as a financial institution responsive to commercial needs, but also as a contemporary retail bank with broad expertise and a strong consumer orientation.

A marketing evaluation was the first step in the program Lippincott & Margulies developed for First Union. Research verified the apprehension that the bank's public image was indeed that of the good institution–gray and solid–but out of step with the tempo of the consumer. Signage, architecture, interiors, lack of advertising, all confirmed and reinforced this perception.

The branch design was purposely planned to blend with different community environments by permitting the use of alternative materials in the construction or renovation of facilities.


FIRST UNION
FIRST UNION
FIRST UNION

The program's second step was the development of an Environmental Marketing Design strategy, planned to reposition the bank for achieving its overall marketing objectives. This entailed identifying specific image criteria. All elements of the program, from the design of remote automated tellers to the design of a full-service branch, would henceforth be evaluated against these criteria. The image criteria included First Union as a bank of major stature, offering a full range of financial services, retail expertise, personal and friendly service, convenience of facilities, responsiveness to customer needs–and an identity at once constructively aggressive and distinctive.

As in all Environmental Marketing Design programs, these image criteria were recommended only after looking inward at the bank's strengths and outward at the publics for the bank's services. Careful consideration was given to maintaining the stature and dignity important to the corporate customers and simultaneously to enhancing the retail posture–a critical balance for a financial institution. The retail expertise and friendly service had existed all along. Overshadowed by the bank's reputation for corporate expertise, however, it had gone unperceived by the wider audience.

A function of the program was to project forcefully in a contemporary mode the abiding values of First Union. From exterior landscaping to the design of a new logotype, all components of the Environmental Marketing Design program were directed toward molding a unified impression of retail awareness. The interior floor plan was devised for the comfort and convenience of the customers. On one side, teller counters of wood were laid out in staggered fashion, eliminating the monotonous and impersonal effect of a long, even-front counter. On the other side, sales areas were individualized, giving the appearance of privacy and informality by the arrangement of small conference tables and chairs. An illuminated ceiling and skylight reinforced the distinctions between the two areas of the bank, while clusters of hanging plants enhanced the atmosphere of individualized service.

Exterior design characteristics grew out of the interior floor plan. Form followed function. Unique architectural features were developed, enabling the combination of facade, entrance, parking area to identify First Union unmistakably and in a positive manner–even without signage. Consistent with the comprehensive approach of Environmental Marketing Design, landscape was integrated with the facility.

Consistent with the bank's consumer-oriented posture, the branch interior was designed to enhance the atmosphere of personalized service.

FIRST
UNION

Sufficient glass was built into the structure to light open areas of the interior and to afford employees pleasing views of the exterior.

A visual system was developed, including a new identifying logotype, with First Union's colors changed from blue, white and black to green and white. This change further differentiated the bank from competition and represented a more environmental, growth-oriented color. While traditional letters were used in the logotype, they were canted in an upward slant to create a distinctive and memorable shape signifying upward mobility. Distinctive signage, part of the bank's total graphic system, became both functional and decorative. It imparted information on special services and promotions and directed traffic.

To discount the potentially depersonalizing impact of electronic banking machines (EFTS), a distinctive environment was created for the automated teller machines. Shielded from sun and inclement weather and brightly illuminated at night, these units bespeak the First Union presence and customer service philosophy wherever they are situated. The iconographic system became an integral part of the program with sufficient flexibility to accommodate the requirements of a wide range of free-standing or wall-fitted units for shopping centers and other remote locations.

With over 180 branches statewide, First Union inevitably serves different kinds of publics–urban, suburban, rural. To ensure that the identity of the bank would project cumulatively throughout North Carolina, while accommodating local design sensibilities, the Environmental Marketing Design program was coordinated to permit the use of alternative materials in the construction of new branches and the renovation of existing ones. Wood, for example, was used in rural areas, brick in the suburbs, and stone "downtown."

For First Union National Bank, Environmental Marketing Design represented a multidimensional, professional discipline, providing a total communications strategy to meet specific marketing objectives. It identified First Union as a distinctive bank with broad retail expertise, committed to offering the kind of personal, convenient services that customers want–and where they want it.

From the design of a new logotype to the design of an environment for automated teller machines, the components of the program were directed toward molding a unified impression.

Assessment and Response

In the first half of this issue of *Sense*, we have summarized some of the competitive challenges and opportunities for growth confronting commercial banks in the intensely competitive financial marketplace, which characterizes the last quarter of the twentieth century.

In the second half we have selected from the file of Lippincott & Margulies' financial institution clients just a few of the responses which commercial banks have made to these challenges and opportunities. Each response has been developed after a careful assessment of the individual bank's unique situation and has been designed to achieve each bank's particular marketing goals.

Some would like us to "package" for banks everywhere a few across-the-board solutions. That approach, however, would be as hazardous as across-the-board prescriptions for ailments of the human body and psyche. What we do offer are professional skills in marketing, communications and design, and proven expertise in applying these skills to work in total programs conceived to assist financial institutions in meeting their objectives.

Readers of this *Sense* issue will find the following of special interest and may call or write for a copy:

Sense 79. Outside Directors: Corporate Identity Planning
Sense analyzes strategies for solving two communications problems: how to affect a productive dialogue between senior management and directors, and a case history of how a mid-sized corporation restructured its communications through Corporate Identity planning.

Sense 78. Retail Power
How a total communications plan can help retailers survive and thrive in an increasingly competitive marketplace. Included are examples of both national and international retailers who have realized significant business improvement through a distinctive new identification stance.

Sense 77. Corporate Name Selection
The first in-depth look at the complexities of corporate nomenclature, with a unique review of the benefits that may accompany a corporate name development program.

Sense 75. That Tender Age
The takeover of companies through tender offers is explored, along with the role that an effective corporate identification program serves in defending against unfriendly offers.

Sense 71. Communicating Credibility to Financial Audiences
When credibility plunges, P/E ratios suffer and problems multiply. What is the answer? Are the customary public relations techniques sufficient, or is a new approach needed, one that comprehends a company's total stance and positioning? An informative essay is bolstered by personal interviews with leading financial authorities.

Some of the bank clients served by Lippincott & Margulies throughout the United States and in Canada include the following institutions:

American Fletcher National Bank
AmeriTrust Corporation
BankCal
BancOhio
Bowery Savings Bank
Buffalo Savings Bank
Canada Trust Company
Canadian Imperial Bank of Commerce
Centran
Chase Manhattan Corporation
Chemical Bank
Citibank N.A.
Citizens Fidelity
Eastern Savings Bank
Federal Land Bank
Fidelity Bank
Fidelity Federal Savings & Loan Association (Calif.)
Fidelity Union Bancorporation
First Federal Savings & Loan Association of Lincoln
First Federal Savings and Loan Association of Wisconsin
First Jersey National Bank
First Minneapolis
First National Bancorporation, Inc.
First National Bank of Boston
First of Denver
First Union National Bank
First Western
Girard Bank
National Newark & Essex Bank
Rainier Bancorporation
Royal Bank of Canada
Sterling National Bank
Unifirst Federal Savings and Loan Association
Union Trust Company
United Bank (N.Y.)
United Virginia Bankshares, Inc.
Western Savings Bank
Western Savings Fund Society

BANKING'S OTHER ASSET

Commercial banking puts a new wrap on the squeeze for deposits and the potential for investor desertion.

SENSE 80

Gentlemen:

I am interested in hearing more about Lippincott & Margulies' work first hand, at no obligation of course. Please call for an appointment.

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